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More Companies Turn

To Experts to Clear

Files, Store Records

WST • • 2/23/65

American Cyanamid Cuts Costs

With New System; Federal

Rules Add to Paperwork Bulk

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NEW YORK. A few years ago investigations of federal agencies forced Pan American Airways to save all its records, instead of periodically destroying them. In four years the contents of Pan Am's files doubled and if the papers it was saving had been piled in a single stack they might have scraped the wings of a jet flying at 25,000 feet.

With the investigations ended, the airline has climbed out of its paper fogbank. But the speed and immensity of its file build-up illustrates why more and more companies are turning heavily on the file-clearing expertise of specialists called records managers or archivists.

With business booming, American office workers are generating letters, vouchers, order forms, bills of lading and hundreds of other documents at a record rate—enough to fill an estimated 13 million file drawers a year. At the same time, many companies are moving to new office buildings where space is more expensive and where an excess of filing cabinets spoils the aesthetic effect office designers tried hard to achieve.

It's the records control specialists' job to make sure that outdated papers are tossed away, that important ones kept on hand and papers that are neither useless nor important kept in some place where they can be stored cheaply and gotten to if need be. At the same time, he strives to make sure that all information stored by the company, even in personal files, can be quickly obtained.

Postwar Development

Systematic records management and disposition is largely a post-World War II development. Many companies have adopted it only in recent years. The National Records Management Council (NRMC), a non-profit research and advisory agency based in New York City, estimates that the number of specialists in the field, judging from membership in three professional associations, has more than doubled in the past decade.

have set up their own large firms. Among them is the Leary System, which once estimated all the records in the country would make a row about 100 miles long. It has helped 400 major companies set up records control facilities in the past five years.

"It would be hard to find any company doing in excess of \$100 million in business annually that has not done something in this field," says Christopher J. Leary, president of Leary Architects Inc., Leary & Co., a two-pronged Manhattan-based firm which stores records for companies and sets up controls to keep them from piling up.

Leary's four record storage centers — in New York City, Whitehouse, N.J., Elk Grove Village, Ill., and Miami, Fla. — resemble high stack libraries except that the racks contain file boxes instead of books. Leary has 150 clients, 60 more than five years ago, including Pan Am, Florida Power & Light Co., Metro-Goldwyn-Mayer, Inc., and Singer Manufacturing Co. Records on hand in its Whitehouse center range from bank and account ledgers dating back to 1852 up to such current materials as copies of payroll checks, which usually are tossed out after two years.

Storage Schedules

Leary archivists, working with the client, assign each type of record a "retention schedule" which sets a limit on how long it will be kept in storage. A very few, including most trust ledgers, are kept permanent. Some, such as extra copies of outgoing correspondence, are tossed out after six months. Leary storage centers workers see to it that disposal schedules are followed and also file things out of their stacks to answer client inquiries. A large company with 4,000 cubic feet of records, normally would pay between \$4,800 and \$5,500 a year for Leary's storage and file management services, Mr. Cameron says.

To decide how long companies should keep each type of document, Leary consultants use a number of guidelines. Some have been developed through research in various industries on such subjects as the elements of risk, say, in throwing out an employee's personnel records 10 years after he has left the company. But the most important guides are supplied by Federal and state governments in lists of rules on retention of records.

The Interstate Commerce Commission alone has 258 separate retention regulations for railroads, airlines and other carriers to follow. For instance, records of a damage claim must be

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retained at least four years after the settlement. Heavily regulated companies tend to have fat files. The average major airline will likely have 10,000 cubic feet of files, enough to fill about 1,700 four-drawer file cabinets, compared with around 2,000 cubic feet for a large non-regulated company, Leary's Mr. Cameron says.

When it enters a company that has not had its files cleaned for some time, Leary often finds it can throw away about half the records without serious danger of losing something important. Such a housecleaning, coupled with new retention schedules and other changes, cut American Cyanamid Co.'s annual record-keeping costs by some \$80,000 a few years ago. Rental of space occupied by each office file cabinet, plus amortization of the cabinet's initial cost, was costing Cyanamid \$8.72 a year. Files in storage were costing \$2.76 annually per cabinet to keep. Leary tossed out 54% of the storage records and destroyed or transferred to storage 26% of the office records.

Studies show that it costs about \$140 a year to maintain a four-drawer file cabinet, including file clerk salaries as well as space costs and cabinet amortization. One management consultant has estimated that of each 100 pieces of paper filed in the average well-run office only 20 will ever be called back for reference.

Leary is specializing increasingly in helping companies with records of the best thoughts of employees, he said throughout their careers mainly in the form of memos, notes and other personal papers of scientists, lawyers and other professionals are lost to the company when the man retires or leaves, Mr. Cameron says. Leary specialists currently are working with the research arm of a major oil company to draw important findings out of personal records and incorporate them into a central system which any researcher, tackling a problem, can draw upon. The same approach is being tried with several large law offices.

This information is of valuable even before a man leaves, since employees in some firms are known to labor hard on problems that lie solved in another employee's files, Mr. Cameron says.